

UNIFIED SCHOOL DISTRICT NO. 409

Atchison, Kansas

REGULATORY BASIS
FINANCIAL STATEMENTS
For the year ended June 30, 2015

And

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

...*KL*...

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UNIFIED SCHOOL DISTRICT NO. 409

Atchison, Kansas

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Atchison, Kansas

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENT

Board of Education
Unified School District No. 409
Atchison, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 409, Atchison, Kansas ("Municipal Financial Reporting Entity") as of and for the year ended June 30, 2015, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the presentation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

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reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Unified School District No. 409, Atchison, Kansas ("Municipal Financial Reporting Entity") to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 409, Atchison, Kansas ("Municipal Financial Reporting Entity") as of June 30, 2015, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 409, Atchison, Kansas ("Municipal Financial Reporting Entity") as of June 30, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with "Government Auditing Standards", we have also issued our report dated September 27, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control of financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Audit Standards" is considering Unified School District No. 409, Atchison, Kansas' internal control over financial reporting and compliance.

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinion on the 2015 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures – agency funds, schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds. (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the 2015 basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for analysis as required by U.S Office of Management and Budget Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations” and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 basic financial statement. The 2015 information has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2015 basic financial statement or to the 2015 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2015 basic financial statement as a whole, on the basis of accounting described in Note 1.



Karlin & Long, LLC
Certified Public Accountants

Lenexa, KS
September 27, 2015

USD #409 ATCHISON, KANSAS

Summary Statement of Cash Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2015

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General	\$ -	- \$	10,563,753	\$ 10,563,752	\$ 0	\$	0
Supplemental General	847	-	3,671,578	3,578,462	93,963		93,963
Special Purpose Funds							
4-year old at risk	38,566	-	65,216	65,216	38,566		38,566
K-12 at risk	347,569	-	3,163,439	3,163,419	347,589		347,589
Bilingual Education	-	-	-	-	-		-
Capital outlay	2,109,213	-	931,334	377,486	2,663,061		2,663,061
Driver education	8,090	-	3,210	5,368	5,932		5,932
Food service	330,372	-	848,992	821,176	358,189		358,189
KPERS special retirement contribution	-	-	1,072,486	1,072,486	(0)		(0)
Professional development	183,601	-	-	36,909	146,692		146,692
Parent education	-	-	17,300	17,300	-		-
Special education	964,015	-	3,323,900	3,323,900	964,015		964,015
Vocational education	78,047	-	304,368	304,368	78,047		78,047
Gifts and grants	64,649	-	39,450	33,242	70,857		70,857
Contingency reserve	1,069,630	-	-	-	1,069,630		1,069,630
Textbook rental	456,131	-	99,251	101,443	453,939		453,939
Title I	6,918	-	452,642	459,560	-		-
Book Grant	-	-	206,470	217,534	(11,064)		(11,064)
Title IIA	-	-	103,903	102,795	1,108		1,108
Carl Perkins	400	-	18,405	17,452	1,353		1,353
Gate receipts	21,470	-	102,090	98,150	25,410		25,410
District activity funds	81,937	-	147,869	160,258	69,548	(169)	69,379
Debt service fund:							
Bond and interest	1,549,126	-	2,033,845	1,835,750	1,747,221		1,747,221
Capital Project:							
Bond Proceeds	231,691	-	-	9,904	221,787		221,787
Total primary government	7,542,272	-	27,169,501	26,365,930	8,345,842	(169)	8,345,673
Component unit:							
Atchison Recreation Commission: General	236,893	-	368,760	391,730	213,923		213,923
Atchison Recreation Commission: Employee Benefit	40,405	-	73,492	71,321	42,576		42,576
Total component unit	277,298	-	442,252	463,051	256,499	-	256,499
Total reporting entity (excluding agency funds)	\$ 7,819,570	- \$	27,611,753	\$ 26,828,981	\$ 8,602,341	(169)	\$ 8,602,172
Composition of Cash							
Checking Accounts						\$	8,450,025
Petty Cash							-
Total Component Unit							256,499
Total Cash							8,706,524
Agency Funds per Statement 4							104,352
Total Reporting Entity						\$	8,602,172

The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

USD No. 409 is a municipal corporation governed by an elected seven member board. The district as an entity has been defined to include, on a combined basis, (a) USD No.409 (b) organizations for which USD No. 409 is financially accountable, and (c) other organizations for which the nature and significance of their relationship with USD No.409 are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Discretely presented component unit. The component unit section of these financial statements includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the District. The governing body of this component unit is appointed by the District.

Recreation Commission USD No. 409 Recreation Commission oversees recreational activities. The Recreation commission operates a separate governing body but the District levies the taxes for the Recreation Commission and the Recreation commission has only the powers granted by statute, K.S.A. 12-1928. The Recreation Commission cannot purchase real property but can acquire real property by gift. The accounting policies of the USD No. 409 Recreation Commission are the same as those of the District.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year 2015:

Governmental Funds

General Fund– The chief operating fund. Used to account for the resources except those required to be accounted for in another fund.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Special Purpose Funds – Used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long term debt) that are intended for specified purposes.

Bond and Interest Funds – Used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Funds – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Fiduciary Funds

Agency Funds – Funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, activity accounts, etc.).

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Reimbursed Expenses

Expenditures in the amount of \$ 78,994 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement

Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no amendments for the year 2015.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

The statutes permit transferring budgeted amounts between accounts within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for the prior year's accounts payable and encumbrances. Encumbrances are commitments by the district for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract.

Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds and trust funds and the following special purpose funds:

Book Grant	Title IIA Fund
Carl Perkins	Contingency Reserve Fund
District Activity Funds	Textbook Rental Fund
Title I Fund	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the district. The statute requires banks eligible to hold the district's funds have a main or branch bank in the county in which the district is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The district has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the district's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The district has no investment policy that would further limit its investment choices. The district had no investments during 2015.

Concentration of Credit Risk

State statutes place no limit on the amount the district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. State statutes require the district's deposits in financial institutions to be entirely covered by federal depository insurance

or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2015.

At June 30, 2015, the government's carrying amount of deposits was \$ 8,706,524 and the bank balance was \$ 9,724,828. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$ 250,000 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the district's name

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (Continued)

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 – In-Substance Receipt in Transit

The district received \$ 765,598 subsequent to June 30, 2015 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2015.

NOTE 4 – Defined Benefit Pension Plan

Plan Description – USD No. 409 participates in the Kansas Public Employees Retirement System (KPERs), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy – K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERs member-employee contribution rates. Effective July 1, 2009 KPERs has two benefit structures and funding depending on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERs member-employee contribution rate of 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of section 414 (h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Defined Benefit Pension Plan (Continued)

Net Pension Liability – The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which rolled forward to June 30, 2014. As of June 30 2014 the net pension liability for KPERS was \$8,291,794,910. KPERS has determined the District's proportionate share of the net pension liability is \$946,118 as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website www.kpers.org or can be obtained as described in the first paragraph above.

NOTE 5 – Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the district carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

NOTE 6 – Stewardship, Compliance and Accountability

There were no violations noted of Kansas Statutes for the period under examination.

NOTE 7 – Compensated Absences

Full time, twelve month, non-certified employees earn ten days of vacation time per year. After twelve years, fifteen days of vacation time are earned per year. Vacation time does not accumulate. Sick and emergency leave is accrued at the rate of one day per month worked during the year for all employees, with a maximum accumulation of ninety days. Any days accumulated over ninety are paid the following year at 65% of the beginning pay scale rates. Such pay is made in November after the end of the fiscal year. Certified staff members who retire and apply for KPERS receive their unused sick and emergency leave at their daily rate. The district has not computed or recorded the liability at year end.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Indebtedness

The District is subject to the statutes of the State of Kansas that limits the net bonded debt. The debt outstanding may not exceed 14% of the assessed value of all tangible taxable property within the District unless additional authority is granted by the Kansas State Board of Education. The amount of bonds outstanding is computed exclusive of certain bonds specifically exempted from this limitation. At June 30, 2015, the statutory limit for the district was \$12,229,764 thus creating excess indebtedness of \$ 9,080,236. The outstanding bond principal represents 24.34% of the District valuation. The District has received approval from the Kansas State Board of Education to exceed the general bond debt limitation on February 11, 2003.

NOTE 9 – Contingency

The District receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the District's management, such disallowances, if any, will not be significant to the District's financial statements.

NOTE 10 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – Interfund Transactions

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Capital Outlay Fund	K.S.A 72-6428	438,537
General Fund	Special Education Fund	K.S.A 72-6428	2,070,257
General Fund	At Risk K-12	K.S.A 72-6428	1,120,416
Supplemental General Fund	At Risk K-12	K.S.A 72-6428	2,043,023
Supplemental General Fund	At Risk (4 year olds)	K.S.A 72-6433	65,216
Supplemental General Fund	Special Education Fund	K.S.A 72-6433	600,000
Supplemental General Fund	Vocational Education Fund	K.S.A 72-6433	304,368
Supplemental General Fund	Parent Education Fund	K.S.A 72-6433	17,300

NOTE 12 – Capital Projects

At year-end, capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	<u>Expenditures To Date</u>	<u>Project Authorization</u>
School Buildings	\$ 8,237,058	\$ 8,458,845

NOTE 13 – Subsequent Events

Subsequent events for management's review have been evaluated through September 27, 2015. The date in the prior sentence is the date the financial statements were available to be issued.

USD #409 ATCHISON, KANSAS
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 14 - Long Term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2015 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 2004	4.40%	8/1/04	\$ 5,150,000	9/1/22	\$ 105,000	\$	\$ 105,000	\$ (105,000)	\$ 0	\$ 100,376
Series 2011	3.00%	6/3/11	3,385,000	9/1/22	1,625,000		960,000	(960,000)	665,000	34,350
Series 2011-B	3.00%	12/15/11	6,145,000	9/1/22	6,080,000		0	0	6,080,000	182,400
Series 2013-A	3.00%	9/1/13	13,625,000	9/1/31	0	13,625,000	40,000	13,585,000	13,585,000	368,459
Series 2013-B	3.00%	3/1/14	980,000	9/1/34	0	980,000		980,000	980,000	45,165
Leases										
Computer Equipment	0.09%	4/15/12	386,342	4/15/15	97,015		97,015	(97,015)	0	1,738
Total Long Term Debt					<u>\$ 7,907,015</u>	<u>\$ 14,605,000</u>	<u>\$ 1,202,015</u>	<u>\$ 13,402,985</u>	<u>\$ 21,310,000</u>	<u>\$ 732,488</u>
Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:										
		<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021-2025</u>	<u>2026-2030</u>	<u>2031-2035</u>	<u>Total</u>
Principal										
General Obligation Bonds	\$ 1,375,000	\$ 1,225,000	\$ 1,340,000	\$ 1,250,000	\$ 1,420,000	\$ 6,755,000	\$ 6,180,000	\$ 1,765,000	\$ 21,310,000	-
Special Assessment Bonds										-
Certificates of Participation										-
Capital Leases										-
Revenue Bonds										-
KDHE Loans										-
Temporary Notes										-
Total Principal	<u>1,375,000</u>	<u>1,225,000</u>	<u>1,340,000</u>	<u>1,250,000</u>	<u>1,420,000</u>	<u>6,755,000</u>	<u>6,180,000</u>	<u>1,765,000</u>	<u>21,310,000</u>	
Interest										
General Obligation Bonds	660,741	622,616	584,316	545,466	505,415	1,903,453	760,445	86,016	5,668,468	-
Special Assessment Bonds										-
Certificates of Participation										-
Capital Leases										-
Revenue Bonds										-
KDHE Loans										-
Temporary Notes										-
Total Interest	<u>660,741</u>	<u>622,616</u>	<u>584,316</u>	<u>545,466</u>	<u>505,415</u>	<u>1,903,453</u>	<u>760,445</u>	<u>86,016</u>	<u>5,668,468</u>	
Total Principal and Interest	<u>\$ 2,035,741</u>	<u>\$ 1,847,616</u>	<u>\$ 1,924,316</u>	<u>\$ 1,795,466</u>	<u>\$ 1,925,415</u>	<u>\$ 8,658,453</u>	<u>\$ 6,940,445</u>	<u>\$ 1,851,016</u>	<u>\$ 26,978,468</u>	

Unified School District No. 409, Atchison Kansas

Regulatory-Required

Supplementary Information

For the year ended June 30, 2015

USD #409 ATCHISON, KANSAS

Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General fund	\$ 10,568,043	\$ (83,284)	\$ 78,994	\$ 10,563,753	\$ 10,563,753	\$ -
Supplemental General	3,601,867	(23,405)	0	3,578,462	3,578,462	0
Special Purpose Funds						
4-year old at risk	111,154	0	0	111,154	65,216	(45,938)
K-12 at risk	3,549,006	0	0	3,549,006	3,163,419	(385,587)
Bilingual Education	5,000	0	0	5,000	0	(5,000)
Capital outlay	2,696,811	0	0	2,696,811	377,486	(2,319,325)
Driver education	14,790	0	0	14,790	5,368	(9,422)
Food service	1,345,847	0	0	1,345,847	821,176	(524,672)
KPERS special retirement contribution	1,471,439	0	0	1,471,439	1,072,486	(398,953)
Professional development	183,601	0	0	183,601	36,909	(146,692)
Parent education	17,300	0	0	17,300	17,300	0
Special education	4,514,463	0	0	4,514,463	3,323,900	(1,190,563)
Vocational education	372,915	0	0	372,915	304,386	(68,529)
Gifts and grants	139,649	0	0	139,649	33,242	(106,407)
Bond and interest	1,835,750	0	0	1,835,750	1,835,750	0
Component Units						
Atchison Recreation Commission: General	409,237	0	0	409,237	391,730	(17,507)
Atchison Recreation Commission: Employee Benefit	79,750	0	0	79,750	71,321	(8,429)

USD #409 ATCHISON, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants	10,484,759	10,484,759	-
Charges for services			-
Interest income			-
Miscellaneous revenues	78,994		78,994
Operating transfers			-
	<u>10,563,753</u>	<u>10,484,759</u>	<u>78,994</u>
Total Cash Receipts			
EXPENDITURES			
Instruction	3,263,756	3,197,122	66,634
Student support services	236,483	273,689	(37,206)
Instruction support staff	112,413	113,311	(898)
General administration	416,162	440,610	(24,448)
School administration	936,739	865,271	71,468
Operations and maintenance	1,505,191	1,559,871	(54,680)
Student transportation services	384,686	445,000	(60,314)
Central support services			-
Other support services	79,113	78,084	1,029
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers	3,629,210	3,595,085	34,125
Adjustment to comply with legal max		(83,284)	83,284
Adjustment for qualifying budget credits		78,994	(78,994)
	<u>10,563,753</u>	<u>\$ 10,563,753</u>	<u>\$ 0</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(0)		
Unencumbered Cash, Beginning	-		
Prior Year Cancelled Encumbrances	-		
	<u> </u>		
Unencumbered Cash, Ending	\$ <u> (0)</u>		

USD #409 ATCHISON, KANSAS
SUPPLEMENTAL GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,444,425	\$ 1,311,244	\$ 133,181
Delinquent tax	56,527	29,265	27,262
Motor vehicle tax	209,716	183,404	26,312
RV tax	1,418	1,351	67
Mineral production tax			-
Federal grants			-
State aid/grants	1,959,154	2,075,755	(116,601)
Charges for services			-
Interest income			-
Miscellaneous revenues	338		338
Operating transfers			-
	<u>3,671,578</u>	<u>3,601,019</u>	<u>70,559</u>
Total Cash Receipts			
EXPENDITURES			
Instruction	208,015	208,267	(252)
Student support services			-
Instruction support staff	217,069	221,081	(4,012)
General administration			-
School administration	67,095	60,000	7,095
Operations and maintenance	56,375	75,962	(19,587)
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers	3,029,907	3,036,557	(6,650)
Adjustment to comply with			
legal max		(23,405)	23,405
Adjustment for qualifying			
budget credits			-
	<u>3,578,462</u>	<u>\$ 3,578,462</u>	<u>\$ (0)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	93,116		
Unencumbered Cash, Beginning	847		
Prior Year Cancelled Encumbrances	-		
	<u>93,963</u>		
Unencumbered Cash, Ending	\$ 93,963		

USD #409 ATCHISON, KANSAS
 AT RISK FUND (4-year old)
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers	<u>65,216</u>	<u>72,587</u>	<u>(7,371)</u>
Total Cash Receipts	<u>65,216</u>	<u>72,587</u>	<u>(7,371)</u>
EXPENDITURES			
Instruction	65,216	111,154	(45,938)
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>65,216</u>	<u>\$ 111,154</u>	<u>\$ (45,938)</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	38,566		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 38,566</u>		

USD #409 ATCHISON, KANSAS
 AT RISK FUND (K-12)
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers	<u>3,163,439</u>	<u>3,201,439</u>	<u>(38,000)</u>
Total Cash Receipts	<u>3,163,439</u>	<u>3,201,439</u>	<u>(38,000)</u>
EXPENDITURES			
Instruction	2,815,587	3,173,099	(357,512)
Student support services	132,604	157,050	(24,446)
Instruction support staff	97,029	99,659	(2,630)
General administration			-
School administration	117,359	117,198	161
Operations and maintenance	840	2,000	(1,160)
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>3,163,419</u>	<u>\$ 3,549,006</u>	<u>\$ (385,587)</u>
Receipts Over (Under) Expenditures	20		
Unencumbered Cash, Beginning	347,569		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 347,589</u>		

USD #409 ATCHISON, KANSAS
 BILINGUAL EDUCATION
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>
Total Cash Receipts	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>
EXPENDITURES			
Instruction		5,000	(5,000)
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>-</u>	<u>\$ 5,000</u>	<u>\$ (5,000)</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

USD #409 ATCHISON, KANSAS
 CAPITAL OUTLAY FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 303,354	\$ 282,818	\$ 20,536
Delinquent tax	8,136	3,906	4,230
Motor vehicle tax	27,976	24,472	3,504
RV tax	189	180	9
Mineral production tax			-
Federal grants			-
State aid/grants	82,759		82,759
Charges for services			-
Interest income	11,898	10,000	1,898
Miscellaneous revenues	13,485	20,000	(6,515)
Operating transfers	438,537	246,757	191,780
Total Cash Receipts	<u>886,334</u>	<u>588,133</u>	<u>298,201</u>
EXPENDITURES			
Instruction	276,531	1,090,393	(813,862)
Student support services		606,418	(606,418)
Instruction support staff			-
General administration			-
School administration	-		-
Operations and maintenance	82,955	940,000	(857,045)
Student transportation services	18,000	60,000	(42,000)
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>377,486</u>	<u>\$ 2,696,811</u>	<u>\$ (2,319,325)</u>
Receipts Over (Under) Expenditures	508,848		
Unencumbered Cash, Beginning	2,109,213		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 2,618,061</u>		

USD #409 ATCHISON, KANSAS
 DRIVER TRAINING FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants	1,310	1,700	(390)
Charges for services	1,900	5,000	(3,100)
Interest income			-
Miscellaneous revenues			-
Operating transfers			-
	<u> </u>	<u> </u>	<u> </u>
Total Cash Receipts	<u>3,210</u>	<u>6,700</u>	<u>(3,490)</u>
EXPENDITURES			
Instruction	5,368	14,790	(9,422)
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>5,368</u>	<u>\$ 14,790</u>	<u>\$ (9,422)</u>
Receipts Over (Under) Expenditures	(2,158)		
Unencumbered Cash, Beginning	8,090		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 5,932</u>		

USD #409 ATCHISON, KANSAS
 FOOD SERVICE FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants	664,304	659,355	4,949
State aid/grants	8,261	8,792	(531)
Charges for services	176,427	347,328	(170,901)
Interest income			-
Miscellaneous revenues			-
Operating transfers			-
Total Cash Receipts	<u>848,992</u>	<u>1,015,475</u>	<u>(166,483)</u>
EXPENDITURES			
Instruction			-
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance		356,152	(356,152)
Student transportation services			-
Central support services			-
Other support services			-
Food service operations	821,176	989,695	(168,520)
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>821,176</u>	<u>\$ 1,345,847</u>	<u>\$ (524,672)</u>
Receipts Over (Under) Expenditures	27,817		
Unencumbered Cash, Beginning	330,372		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 358,189</u>		

USD #409 ATCHISON, KANSAS
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants	1,072,486	1,471,439	(398,953)
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers			-
	<u>1,072,486</u>	<u>1,471,439</u>	<u>(398,953)</u>
Total Cash Receipts			
EXPENDITURES			
Instruction	722,740	1,033,439	(310,699)
Student support services	57,843	70,000	(12,157)
Instruction support staff	33,732	40,000	(6,268)
General administration	40,806	43,000	(2,194)
School administration	82,942	150,000	(67,058)
Operations and maintenance	67,437	10,000	57,437
Student transportation services	29,293	50,000	(20,707)
Central support services			-
Other support services	6,662	25,000	(18,338)
Food service operations	31,031	50,000	(18,969)
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
	<u>1,072,486</u>	<u>\$ 1,471,439</u>	<u>\$ (398,953)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(0)		
Unencumbered Cash, Beginning	-		
Prior Year Cancelled Encumbrances	-		
	<u> </u>		
Unencumbered Cash, Ending	\$ <u> (0)</u>		

USD #409 ATCHISON, KANSAS
PROFESSIONAL DEVELOPMENT FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers			-
	<u> </u>	<u> </u>	<u> </u>
Total Cash Receipts	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Instruction			-
Student support services			-
Instruction support staff	36,909	183,601	(146,692)
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>36,909</u>	<u>\$ 183,601</u>	<u>\$ (146,692)</u>
Receipts Over (Under) Expenditures	(36,909)		
Unencumbered Cash, Beginning	183,601		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 146,692</u>		

USD #409 ATCHISON, KANSAS
 PARENT EDUCATION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers	<u>17,300</u>	<u>17,300</u>	<u>-</u>
Total Cash Receipts	<u>17,300</u>	<u>17,300</u>	<u>-</u>
EXPENDITURES			
Instruction			-
Student support services	17,300	17,300	-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>17,300</u>	<u>\$ 17,300</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

USD #409 ATCHISON, KANSAS
SPECIAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants	653,643	610,000	43,643
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers	<u>2,670,257</u>	<u>2,940,447</u>	<u>(270,190)</u>
Total Cash Receipts	<u>3,323,900</u>	<u>3,550,447</u>	<u>(226,547)</u>
EXPENDITURES			
Instruction	2,433,807	3,436,398	(1,002,591)
Student support services	469,487	656,300	(186,813)
Instruction support staff			-
General administration	121,297	121,765	(468)
School administration			-
Operations and maintenance			-
Student transportation services	299,309	300,000	(691)
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>3,323,900</u>	<u>\$ 4,514,463</u>	<u>\$ (1,190,563)</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	964,015		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 964,015</u>		

USD #409 ATCHISON, KANSAS
 VOCATIONAL EDUCATION FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers	<u>304,368</u>	<u>294,869</u>	<u>9,499</u>
Total Cash Receipts	<u>304,368</u>	<u>294,869</u>	<u>9,499</u>
EXPENDITURES			
Instruction	304,368	372,915	(68,547)
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>304,368</u>	<u>\$ 372,915</u>	<u>\$ (68,547)</u>
Receipts Over (Under) Expenditures			-
Unencumbered Cash, Beginning	78,047		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 78,047</u>		

USD #409 ATCHISON, KANSAS
 GIFTS AND GRANTS FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues	39,450	75,000	(35,550)
Operating transfers			-
	<u>39,450</u>	<u>75,000</u>	<u>(35,550)</u>
Total Cash Receipts	<u>39,450</u>	<u>75,000</u>	<u>(35,550)</u>
EXPENDITURES			
Instruction	33,242	139,649	(106,407)
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with			
legal max			-
Adjustment for qualifying			
budget credits			-
	<u>33,242</u>	<u>\$ 139,649</u>	<u>\$ (106,407)</u>
Total Expenditures	<u>33,242</u>	<u>\$ 139,649</u>	<u>\$ (106,407)</u>
Receipts Over (Under) Expenditures	6,208		
Unencumbered Cash, Beginning	64,649		
Prior Year Cancelled Encumbrances	-		
	<u>-</u>		
Unencumbered Cash, Ending	\$ <u>70,857</u>		

USD #409 ATCHISON, KANSAS
 RECREATION COMMISSION - GENERAL FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 213,853	\$ 184,387	\$ 29,466
Delinquent tax	4,922	3,388	1,534
Motor vehicle tax	27,070	21,222	5,848
RV tax	246	157	89
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services	122,153	75,000	47,153
Interest income			-
Miscellaneous revenues	516		516
Operating transfers			-
	<u>368,760</u>	<u>284,154</u>	<u>84,606</u>
Total Cash Receipts			
EXPENDITURES			
Instruction			-
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Community service operations	391,730	409,237	(17,507)
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
	<u>391,730</u>	<u>\$ 409,237</u>	<u>\$ (17,507)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(22,970)		
Unencumbered Cash, Beginning	236,893		
Prior Year Cancelled Encumbrances	-		
	<u>213,923</u>		
Unencumbered Cash, Ending			

USD #409 ATCHISON, KANSAS
 RECREATION COMMISSION - EMPLOYEE BENEFITS FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 64,102	\$ 5,515	\$ 58,587
Delinquent tax	1,067	980	87
Motor vehicle tax	7,933	6,145	1,788
RV tax	53	45	8
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues	338		338
Operating transfers			-
Total Cash Receipts	<u>73,493</u>	<u>12,685</u>	<u>60,808</u>
EXPENDITURES			
Instruction			-
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Community service operations	71,321	79,750	(8,429)
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>71,321</u>	<u>\$ 79,750</u>	<u>\$ (8,429)</u>
Receipts Over (Under) Expenditures	2,172		
Unencumbered Cash, Beginning	40,405		
Prior Year Cancelled Encumbrances	-		
Unencumbered Cash, Ending	<u>\$ 42,577</u>		

USD #409 ATCHISON, KANSAS
 BOND AND INTEREST FUND
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2015

	Actual	Budget	Variance- Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,108,194	\$ 1,033,916	\$ 74,278
Delinquent tax	38,156	18,811	19,345
Motor vehicle tax	134,719	117,876	16,843
RV tax	911	868	43
Mineral production tax			-
Federal grants			-
State aid/grants	751,865	771,015	(19,150)
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers			-
	<u>2,033,845</u>	<u>1,942,486</u>	<u>91,359</u>
Total Cash Receipts			
	<u>2,033,845</u>	<u>1,942,486</u>	<u>91,359</u>
EXPENDITURES			
Instruction			-
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Bond and interest	1,835,750	1,835,750	-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
	<u>1,835,750</u>	<u>\$ 1,835,750</u>	<u>\$ -</u>
Total Expenditures			
	<u>1,835,750</u>	<u>\$ 1,835,750</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	198,095		
Unencumbered Cash, Beginning	1,549,126		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 1,747,221</u>		

USD #409 ATCHISON, KANSAS
 ANY NONBUDGETED FUNDS
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Textbook</u>	<u>Contingency Reserve</u>	<u>Title I</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants			452,642
State aid/grants			
Charges for services	99,251		
Interest income			
Miscellaneous revenues			
Operating transfers			
	<u>99,251</u>	<u>-</u>	<u>452,642</u>
EXPENDITURES			
Instruction	94,508		459,560
Student support services			
Instruction support staff	6,935		
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>101,443</u>	<u>-</u>	<u>459,560</u>
Receipts Over (Under) Expenditures	(2,192)	-	(6,918)
Unencumbered Cash, Beginning	456,131	1,069,630	6,918
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	\$ <u><u>453,939</u></u>	\$ <u><u>1,069,630</u></u>	\$ <u><u>-</u></u>

USD #409 ATCHISON, KANSAS
 ANY NONBUDGETED FUNDS
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2015

	<u>Carl Perkins</u>	<u>Book Grant</u>	<u>Title IIA</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants	18,405		103,903
State aid/grants			
Charges for services			
Interest income			
Miscellaneous revenues		206,470	
Operating transfers			
	<u>18,405</u>	<u>206,470</u>	<u>103,903</u>
EXPENDITURES			
Instruction	16,532	217,534	102,795
Student support services			
Instruction support staff			
General administration	920		
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Bond and interest			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>17,452</u>	<u>217,534</u>	<u>102,795</u>
Receipts Over (Under) Expenditures	953	(11,064)	1,108
Unencumbered Cash, Beginning	400	0	0
Prior Year Cancelled Encumbrances	<u>-</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>1,353</u></u>	\$ <u><u>(11,064)</u></u>	\$ <u><u>1,108</u></u>

USD #409 ATCHISON, KANSAS
DISTRICT ACTIVITY FUNDS
Schedule of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2015

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
Atchison Middle School	\$ 6,110	\$	\$ 11,902	\$ 14,589	\$ 3,423	\$	\$ 3,423
Atchison High School	15,360		90,188	83,561	21,897		21,897
Total gate receipts	\$ 21,470	\$ -	\$ 102,090	\$ 98,150	\$ 25,410	\$ -	\$ 25,410
District Activity Funds							
Atchison High School							
Art-instructional	5,824		2,242	1,576	6,490		6,490
A+ program	209		-	63	146		146
Business	1,493		726	813	1,406		1,406
Counseling	286		1,206	1,058	434		434
Drama Club	16		-	16	-		-
Drama	6,381		11,612	14,138	3,855		3,855
Driver education	20		1,985	1,968	37		37
English	1,979		2,875	506	4,348		4,348
Faculty lounge	1,911		128	1,241	798		798
Food service miscellaneous	13		-	-	13		13
Forensics	1,590		2,597	3,226	961		961
Flags	-		-	-	-		-
Industrial arts-wood	1,496		3,890	4,416	970		970
FCA	-		-	-	-		-
Library	538		618	132	1,024		1,024
Math	9,828		3,072	1,385	11,515		11,515
Music-instrumental	-		3,739	3,739	-		-
Music-jazz	-		-	-	-		-
Newspaper-Optimist	258		-	-	258		258
Participation	39		8,865	8,874	30		30
Petty Cash	-		-	-	-		-
Positive behavior system	16		-	-	16		16
Redman restaurant	32		-	-	32		32
Robotics	790		-	-	790		790
Science	10,133		6,226	5,797	10,562		10,562
Social science	2,863		3,627	3,916	2,574		2,574
Technology	-		4,945	4,864	81		81
Textbook	-		6,583	6,448	135		135
Yearbook	1,152		5,079	5,622	609		609
Subtotal Atchison High School	46,867	-	70,015	69,798	47,084	-	47,084

USD #409 ATCHISON, KANSAS
DISTRICT ACTIVITY FUNDS
Schedule of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2015

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Atchison Middle School							
Admissions	\$ -	\$ -			\$ -	\$ -	-
All school fundraiser	882		4,165	4,098	949		949
Art	3,434		1,812	3,030	2,216		2,216
AMS Memory Book	1,878		2,218	2,174	1,922		1,922
AMS Reward	66		644	600	110		110
Faculty lounge	700		2,094	1,609	1,185		1,185
Honor choir	1,487		3,251	4,414	324		324
Instrumental fundraiser	718		2,283	2,985	16		16
Instrumental reimbursable	-		-	-	-		-
Library	1,081		2,241	2,464	858		858
Participation	-		3,447	3,447	-		-
Pay for Sports	-		-	-	-		-
Petty cash	-		903	903	-		-
Sped life skills	267		-	-	267		267
Staff development	49		-	-	49		49
Technology fee	-		2,275	2,275	-		-
Geny	-		-	-	-		-
Textbook enrollment	-		-	-	-		-
Subtotal Atchison Middle School	10,562	-	25,333	27,999	7,896	-	7,896
Atchison Elementary School							
Accelerated reader	520		5	427	98		98
Atchison Singers	7,593		1,433	5,795	3,231		3,231
Behavior award	-		-	-	-		-
Book fair	-		13,337	13,337	-		-
Community Club for staff	8,888		11,612	14,042	6,458	(169)	6,289
Community Club field trip	3,155		7,819	8,647	2,327		2,327
Petty Cash	-		900	450	450		450
General	2,812		9,848	12,018	642		642
Library	541		608	786	363		363
Participation	-		1,030	1,030	-		-
Pond	568		-	-	568		568
Special	431		-	-	431		431
Technology	-		1,424	1,424	-		-
Textbook	-		4,505	4,505	-		-
Subtotal Atchison Elementary School	24,508	-	52,521	62,461	14,568	(169)	14,399
Total District Activity Funds	\$ 81,937	\$ -	\$ 147,869	\$ 160,258	\$ 69,548	\$ (169)	\$ 69,379

USD #409 ATCHISON, KANSAS
 AGENCY FUNDS
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended June 30, 2015

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Payroll liabilities				
Revolving	\$ <u>47,024</u>	\$ <u>79,359</u>	\$ <u>65,804</u>	\$ <u>60,579</u>
Atchison High School				
Arts Club	4,150	-	-	4,150
Cheerleaders	5,595	12,813	16,765	1,643
Construction	356	(60)	-	296
Senior class	427	430	438	419
Junior class	927	2,955	3,344	538
Sophomore class	1,662	1,645	1,283	2,024
Freshman class	748	668	10	1,406
DECA club	5,414	10,309	8,589	7,134
Gentleman's/Ladies club	1,016	2,424	586	2,854
Kayettes	125	-	-	125
National Honor Society	1	1,360	673	688
Newspaper	448	-	-	448
FCCLA	454	224	507	171
Sash	963	4,429	3,310	2,082
FACS	-	1,375	1,210	165
SAFE	52	-	-	52
Sales Tax	392	4,096	4,127	361
Spanish Club	291	224	474	41
Student Council	247	1,793	1,675	365
RADD	30	106	-	136
YoDVD	<u>879</u>	<u>381</u>	<u>199</u>	<u>1,061</u>
Subtotal Atchison High School	<u>24,177</u>	<u>45,172</u>	<u>43,190</u>	<u>26,159</u>
Atchison Alternative School				
Activities	<u>118</u>	<u>2,364</u>	<u>1,029</u>	<u>1,453</u>
Subtotal Atchison Alternative School	<u>118</u>	<u>2,364</u>	<u>1,029</u>	<u>1,453</u>

USD #409 ATCHISON, KANSAS
 AGENCY FUNDS
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended June 30, 2015

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Atchison Middle School				
6th Grade Fundraiser	\$ 449	\$ 2,223	\$ 2,668	\$ 4
7th Grade Fundraiser	1,401	1,407	1,762	1,046
8th Grade Fundraiser	-	3,882	3,882	-
Activity Fundraiser	1,179	-	-	1,179
Athletic Fundraiser	60	100	-	160
Gentleman's Club	-	5	5	-
Ladies Club	-			-
Laminating film	236	1,210	1,000	446
Project Move	20	200	15	205
Science Olympiad	670	92	285	477
Spirit Squad	80	336	416	-
Sales Tax	402	1,038	1,091	349
Food Service Student Break	-	15	15	-
Food Service AlaCarte	1,502	10	293	1,219
Misc. Food Service	176	-	-	176
Principals Account	96	978	694	380
Lockers	-	738	354	384
Student Activity	202	1,757	1,838	121
T Enrollment		6,240	6,240	-
T Replacement	45	84	129	-
Camera:Memory Book	12	161	127	46
Student Council	1,518	6,775	5,296	2,997
Subtotal Atchison Middle School	<u>8,048</u>	<u>27,251</u>	<u>26,110</u>	<u>9,189</u>
Atchison Elementary School				
Student Council	3,058	516	648	2,926
Gift Fund	52	200	225	27
Charlie Fund	2,816	190	294	2,712
Sales Tax	1,152	155	-	1,307
Subtotal Atchison Elementary School	<u>3,389</u>	<u>1,061</u>	<u>1,167</u>	<u>6,972</u>
Total	\$ <u>82,756</u>	\$ <u>155,207</u>	\$ <u>137,300</u>	\$ <u>104,352</u>

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Karlin & Long, LLC
Certified Public Accountants

Board of Education
Unified School District No. 409
Atchison, Kansas

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the Kansas Municipal Audit and Accounting Guide and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Unified School District No. 409 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which comprise Unified School District No. 409's basic financial statements, and have issued our report thereon dated September 27, 2015. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unified School District No. 409, Atchison, Kansas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 409, Atchison, Kansas' internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 409, Atchison, Kansas' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial

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statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

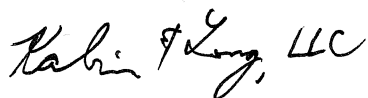
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 409's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Karlin & Long, LLC
Certified Public Accountants

September 27, 2015

...KL...

Karlin & Long, LLC
Certified Public Accountants

Board of Education
Unified School District No. 409
Atchison, Kansas

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 409, Atchison, Kansas' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 409, Atchison, Kansas' major federal programs for the year ended June 30, 2015. Unified School District No. 409, Atchison, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Unified School District No. 409, Atchison, Kansas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit and Accounting Guide*, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 409, Atchison, Kansas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Unified School District No. 409, Atchison, Kansas' compliance.

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(913) 829-7676

2200 Kentucky Avenue
Platte City, Missouri 64079
(816) 858-3791

901 Kentucky Street, Suite 104
Lawrence, Kansas 66044
(785) 312-9091

Opinion on Each Major Federal Program

In our opinion, Unified School District No. 409, Atchison, Kansas, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Unified School District No. 409, Atchison, Kansas, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Unified School District No. 409, Atchison, Kansas' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 409, Atchison, Kansas' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Karlin & Long, LLC". The signature is written in a cursive, flowing style.

Karlin & Long, LLC
Certified Public Accountants
September 27, 2015

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Grantor Number	Federal Expenditures
<hr/>			
U.S. Department of Education			
<hr/>			
Passed through State Department of Education:			
Title I	84.010	*	\$ 459,640
EHC Flo-Thru	84.027	*	457,990
Program Improvement	84.048	*	21,405
EC Flo-Thru	84.173	*	21,749
Title II - Teacher Quality	84.367	*	103,903
U.S. Department of Agriculture			
<hr/>			
Passed through State Department of Education:			
School Breakfast Program	10.553	*	140,379
National School Lunch Program	10.555	*	482,025
SFS - Food	10.559	*	26,021
Federal School Food Service	10.560	*	250
Team Nutrition Training	10.574	*	2,275
Fresh Fruits and Vegetables	10.582	*	15,878
U.S. Department of Health and Human Services			
<hr/>			
Passed through State Department of Education:			
Youth Risk Behavior Survey	93.079	*	100
Total Federal Assistance			<u><u>\$ 1,731,615</u></u>

* Not available

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2015

A. Summary of Audit Results

1. The auditor's report expresses an Adverse Opinion on the financial statements of Unified School District #409 in accordance with Generally Accepted Accounting Principles. The auditor's report expresses an Unmodified Opinion on the financial statements in accordance with the regulatory basis.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Unified School District #409 were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal awards are reported in the Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Unified School District #409 expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relating to major programs that were required to be reported in accordance with Section 510 (a) of OMB Circular A-133 in this schedule.
7. The programs tested as major programs included:
Department of Education
ECH Flo-Thru - CFDA #84.027, Title I - CFDA # 84.010, Food service cluster 10.553 to 10.582

Unified School District #409 was determined not to be a low-risk auditee.

The threshold for distinguishing types A and B programs was \$300,000.

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Awards Programs Audit

None

UNFIED SCHOOL DISTRICT NO. 409
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

2015-001 Financial Reporting

None

UNIFIED SCHOOL DISTRICT NO. 409
Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

2014-001 Financial Reporting

Criteria – All school districts are required to prepare financial statements in accordance with the basis of accounting adopted. This is a responsibility of the District's management. The preparation of financial statements requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and (2) reporting government-wide and fund financial statements, including note disclosures (i.e., external financial reporting).

Condition – As in the case with many smaller and medium sized entities, the District has historically relied on its independent external auditors to assist in the preparation of the government-wide fund and fund financial statements, including note disclosures, as part of the external financial reporting process. Accordingly, the District's ability to prepare financial statements is based, in part, on its external auditors, who cannot by definition be considered a part of the District's internal controls financial reporting.

Cause – Management has made the decision that it is in their best interest to outsource the preparation of its annual financial statements to the external auditors rather than incur the time and expense of obtaining the necessary training and expertise require for the district to perform this task internally.

Effect of Condition – As a result of this condition, the District lacks internal controls over the preparation of financial statements, including note disclosures, in accordance with the basis of accounting adopted, and instead relies, in part, on its external auditors for assistance with this task.

Recommendation – we recognize that the district may not have the resources to have an accounting personnel to prepare government – wide and fund financial statements, including note disclosures, in conformity with the adopted basis of accounting. However, we recommend that management continue to increase their knowledge of financial reporting.

View of Responsible Officials – The District has evaluated the benefit of establishing internal controls over the preparation of financial statements, including note disclosures, and determined that it is their best of the District to outsource this task to its external auditors, and to carefully review the draft financial statements, including note disclosures, prior to approving them and accepting responsibility for their content and preservation.

Management's Response (Unaudited) – The district believes that outsourcing the financial statement presentation is acceptable in the circumstances.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2015

NOTE 1 – Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 409 Atchison, Kansas and is presented on the regulatory basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Regulatory Basis of Accounting – The regulatory basis of accounting, as used in the preparation of the financial statement, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Regulatory receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

Unified School District No. 409 has obtained a waiver from generally accepted accounting principles which allows the district to revert to regulatory basis of accounting.

Departure from Generally Accepted Accounting Principles – The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and mature principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2015

NOTE 1 – Basis of Accounting (continued)

Departure from Generally Accepted Account Principles (ctd.) - General fixed assets that account for the land, buildings, and equipment owned by the district are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statement.

NOTE 2 – Pass-Through Awards

Unified School District No. 409 receives certain federal awards in the form of pass-through awards from the State of Kansas. Such amounts received as pass-through awards are specifically identified on the Schedule of Expenditures of Federal Awards.

NOTE 3 – Major Programs

In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. The Title I – CFDA # 84.010, the ECH Flo-Thru - CFDA #84.027, and the Food Service Cluster - CFDA # 10.553 to 10.582 have been determined by the independent auditor to be major programs.

NOTE 4 – Contingencies

The District receives funds under various federal grant programs and such awards are to be expended in accordance with provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Managements believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.